Instructions for HB1176 Cap Calculation Worksheet

Calculation 1: Base Year Levy

1. Enter the three previous years total actual dollars levied by the taxing district.
2. Include all levies that are applied entity-wide. A separate cap calculation will need to be done for any levies that are not applied entity-wide.
    a. Where can I get previous years dollars levied?
        i. State Tax Department Property Tax Lookup Tool
        ii. The Certificate of Levy you provided to the county auditor the previous three years
        iii. County Auditor

2-11. Enter amount(s) levied under each category that are exempt from the cap. (*See Notes 1-8 following these instructions)*.

12. Difference: Line 1 minus Lines 2-11 (auto populates).
13. Base Year Levy: auto populates from highest amount from Line 12 (auto populates).
14. Allowable percentage limit (3%) X Line 13 (auto populates).
15. Base Year + 3%: Line 13 plus Lie 14 (auto populates).

Calculation 2: Adjusted Year Levy

16. Previous Year Levy: auto populates from Line 12(auto populates).
17. Enter Previous Year Taxable Value (used for previous year maximum levy worksheet) This value INCLUDES the taxable value of homestead and veterans credit properties.
    a. Where can I get previous years taxable value?
        i. State Tax Department Property Tax Lookup Tool
        ii. County Tax Director or Auditor
18. Previous Year Mill Rate: Line 16 divided by Line 17 X 1000 (auto populates).
19. Enter New Property Taxable Value *(Change in Value Codes 1, 3 & 4)*
    a. Examples of property added include: new construction and property added by annexation. DO NOT include any change in value caused by reassessment, change in classification, change in value made by any board of equalization.
    b. Use current year new property taxable value.
    c. Where can I get new property taxable value?
        i. County Tax Director (mid to late June)
20. Enter Expired TIF Incremental Taxable Value *(Change in Value Codes 3 & 4)*
    a. Use current year expired TIF incremental taxable value.
    b. Where can I get TIF Incremental taxable value?
        i. County Tax Director (mid to late June)
21. Enter Expired Exemption Taxable Value
    a. Use current year expired exemption taxable value.
    b. Where can I get expired exemption taxable value?

        i. County Tax Director (mid to late June)

22. Enter Removed Property Taxable Value *(Change in Value Codes 1, 3 & 4)*
   a. Examples of reasons why the property no longer exists in the taxing district include the following: destruction of property, demolition, removal of structures or improvements, loss by annexation to another district, wind turbines that convert from a centrally assessed value to assessment as a payment in lieu of property tax. DO NOT include any change in value caused by reassessment, change in classification, change in value made by any board of equalization.
   b. Use current year value for removed property.
   c. Where can I get property removed taxable value?
      i. County Tax Director (mid to late June)

23. Net: Line 19 plus Line 20 plus Line 21 minus Line 22 (auto populates).
24. Allowance for New Growth: Line 23 times Line 18 divided by 1000 (auto populates).
25. Enter previous year expired temporary mill levy amount in dollars.
26. Net Adjustments: Line 24 minus Line 25 (auto populates).
27. Adjusted Year Levy: Line 16 plus Line 26 (auto populates).
28. 3% Cap Allowance: Line 27 times 3% (auto populates).
29. Adjusted Year Levy + 3%: Line 27 plus Line 28 (auto populates).
30. Maximum taxes allowed for levies subject to the cap: Greater of Line 15 or Line 29.

<u>Calculation 3</u>: Excess Percentage Increase for Future Periods

31. Enter TOTAL Dollars to be Levied by the taxing district for next year's budget.

32-43. Enter amount(s) to be levied under each category that are exempt from the cap.
(See Notes 1-8 following these instructions.)

44. Dollars Certified by Taxing District Subject to the Cap: Line 31 minus Lines 32-43 (auto populates).
45. Unused Cap Amount: Line 30 minus Line 44 (auto populates).
46. Excess Percentage for Future Periods: no less than 0%, no more than 3%. Can be used in any of the five succeeding years. May be used only once. May not carry forward beyond five taxable years. Oldest unused excess percentage increase must be used first.

NOTES: Levies Exempt from the Cap Calculation

Note 1: New or increased property tax levy authority that becomes available to the taxing district in the current taxable year resulting from 1) A change in state law; 2) Approval by the electors of the taxing district.

Note 2: Property tax levy authority increased above zero mills in the current taxable year by the governing board or the taxing district, provided the levy authority was not previously used (previous year).

Note 3: Any irrepeable tax to pay bonded indebtedness levied under section 16 of article X of the Constitution of North Dakota.

Note 4: Taxes or special assessments levied to pay the principal and interest on any obligations of any political subdivision, including taxes levied for deficiencies in special assessment and improvement district funds and revenue bond and reserve funds.

Note 5: Taxes levied to pay bonds, evidences of indebtedness, or obligations of any political subdivision, including taxes levied to pay evidences of indebtedness under chapter 57-47 issued by the Bank of North Dakota from the infrastructure revolving loan fund.

Note 6: Taxes levied pursuant to law for the proportion of the cost to any taxing district for a special improvement project by general taxation.

Note 7: Taxes levied under sections 40-24-10 (City Special Improvements), 40-43-01 (City Judgments), 57-15-28 (County Emergency Levy), 57-15-41 (Special Assessments on School Property), and 57-15-48 (City Emergency Levy) and chapter 61-16.1 (Water Resource Districts).

Note 8: Taxes levied by a school district under subsection 5 of section 57-15-14.2 (Tuition Levy).

DEFINITIONS

“**Adjusted year levy**"" means amount of property tax levied in dollars by the taxing district in the preceeding taxable year adjusted as follows:

(1) When property and improvements to property which were not taxable in the preceding taxable year are taxable in the current year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased to reflect the taxes that would have been imposed against the additional taxable valuation attributable to that property at the mill rate applied to all property in the preceding taxable year, excluding the mill rate associated with:

(a) Any irrepealable tax levied to pay bonded indebtedness levied under section 16 of article X of the Constitution of North Dakota.

(b) A tax levied for the one - mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.

(2) When a property tax exemption existed in the preceding taxable year which has been reduced or no longer exists for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased to reflect the taxes that would have been imposed against the portion of the taxable valuation of the property which is no longer exempt at the mill rate applied to all property in the preceding taxable year, excluding the mill rate associated with:

(a) Any irrepealable tax levied to pay bonded indebtedness levied under section 16 of article X of the Constitution of North Dakota.

(b) A tax levied for the one - mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.

(3) When property that was taxable in the preceding taxable year is not taxable for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be reduced by the amount of taxes that were imposed against the taxable valuation of that property in the preceding taxable year.

(4) When a temporary mill levy increase, excluding an increase under this section, authorized by the electors of the taxing district or mill levy imposition authority under state law existed in the preceding taxable year but is no longer applicable or has been reduced, the amount levied in dollars in the preceding taxable year by the taxing district must be adjusted to reflect the expired temporary mill levy increase and the eliminated or reduced mill levy under state law before the percentage increase allowable under this subsection is applied."

"Base Year Levy" means the highest amount of property tax levied in dollars by a taxing district in the three taxable years immediately preceding the current taxable year.

"Allowable percentage increase" means three percent

“Excess percentage increase"" means the difference, rounded to the nearest hundredth of a percent, between:

(1) The allowable percentage limit; and

(2) The difference between the actual amount of property tax levied in dollars and the greater of the base year levy or the adjusted year levy with the resulting difference under this paragraph divided by the greater of the base year levy or adjusted year levy."

“Proposed percentage increase” means the difference, rounded to the nearest hundredth of a percent, between:

(1) The difference between the amount of property tax in dollars proposed to be levied by the governing board of the taxing district and the greater of the base year levy or the adjusted year levy with the resulting difference under this paragraph divided by the greater of the base year levy or adjusted year levy; and

(2) The allowable percentage limit."

"Taxing district" means any political subdivision empowered to levy taxes.